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## **The economic recovery from COVID-19 should focus on people and their skills, not just technology**

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# The economic recovery from COVID-19 should focus on people and their skills, not just technology



***Heather Rolfe** argues that, while investment in technology is undoubtedly needed as part of the UK's recovery strategy, the pandemic has highlighted our reliance on people and their skills. The government should therefore also be focusing on how to get people back into better and more sustainable work.*

The coming months and years are going to be among the most challenging in our lifetime for our economy, our society, and many of us individually. Problems of unemployment, low productivity, declining competitiveness and low innovation will be hard to resolve; harm will be inflicted on people's working and personal lives. The post-coronavirus labour market is going to be very different to the one we left behind in March.

In earlier times where a route to economic recovery has needed to be mapped, politicians have called for technology-led solutions to accelerate innovation, production, markets and consumption. Take, for example David Cameron's 2010 '[Blueprint for technology](#)'. Investment in technology is of course essential, not least since the current crisis highlights the importance of science and technology in combating future pandemics.

But what the crisis has shown most clearly is how much we rely on human skills. Previously 'unskilled' and undervalued workers in care homes, food factories or refuse collection have been elevated to '[key worker](#)' status; we applaud the dedication and skills of NHS workers every Thursday evening. The government has been forced to [extend the visas](#) of migrant health workers, but is pressing ahead with [more restrictive immigration policy](#).

We've all become more dependent on the skills of others: in our work on colleagues to keep us focused, motivated and productive; in our communities to stop the spread of the virus and to look out for the vulnerable; and on our family and friends for so much more than we would have expected. We've learned just how much we depend on, and learn from, others to get things done. We've learned that other people bring out the best in us.

As we come out of the crisis, we need a recovery strategy focused on getting people back to work, into jobs that are skilled and sustainable, in sectors we want to grow. This needs to include changes to the benefits system, to local economic planning. It also needs changes to our immigration policy which looks set to hinder recovery. It needs coordinated policies and action at national and local levels. And most of all, it needs to focus on people and skills.

## Our benefits system needs an overhaul

[Unemployment rose by 856,500](#) in the first month of the coronavirus lockdown and [7.5 million workers](#) are currently furloughed. There's no doubt that once the [Job Retention Scheme](#) ends, many furloughed workers will lose their jobs as businesses fail to recover. Unemployment is likely to reach levels not seen in the UK for decades and, as the [Resolution Foundation points out](#), young people are likely to be disproportionately impacted.

As [Jonathan Portes and Tony Wilson have proposed](#), a recovery strategy, involving Jobcentre Plus, should help workers to move from declining into expanding and viable sectors. They also propose careful tailoring of the Job Retention Scheme and high-quality support from jobcentre advisers to ease this transition. For this to work, the [low-grade box-ticking 'employment skills' courses](#) where participants repeatedly write CVs, need replacing by real training courses, leading to technical skills and designed and delivered in partnership with local colleges and employers.

Provision might include employment support with the guarantee of a job or training, as in [the Future Jobs Fund](#) wound up in 2012. A revised scheme could create jobs and training places in sectors important to recovery and progress, and tailored to local needs. As a first and immediate step, the [Flexible Support Fund](#), which gives advisers discretion to give jobseekers financial support for training, could be rebooted: the current maximum payment of £150 needs to be raised to train people with skills for new jobs, in new sectors.

But revisions aren't enough. Jobcentre Plus and the support provided to unemployed people [need an overhaul](#). Worksearch and signing on requirements [have been suspended](#) during the pandemic. While some will prefer a more hands-off approach, this leaves many without much needed help in finding work at a very challenging time. When lockdown ends, the network of jobcentres, reduced substantially in recent years, will be hard pressed to help the hundreds of thousands of new jobseekers. Real support needs to be put in place. It needs to be based on a new approach, one that puts trust in jobseekers, rather than using [conditionality and sanctioning](#) to police and to punish.

### **Employment support services need to be made accessible to all**

The emphasis of our welfare system [on benefits and enforcement](#) needs replacing with a support and counselling ethos. It should aim to help people into good-quality and sustainable work. As we come out of the crisis, many will need to acquire new skills; others will have reflected on their working lives and be looking for a change. [A survey conducted in March](#) found more than one in four workers believe their job lacks meaning and that most people want a job that feels purposeful. Job loss and distance from work will have exacerbated these feelings.

To help people move into jobs which use their skills, abilities, and interests, a programme along the lines of [Career Learning Pilots](#) needs to be rolled out quickly. Help should be offered to people of all ages and include tailored guidance, rather than leaflets and web pages. Particular efforts must be made to reach migrants who are more likely than others to be in jobs which [under-utilise their skills](#). This new provision should be located in accessible venues such as libraries and shopping centres, once open. Careers guidance needs to shake off its associations with school. It needs to repurpose itself as a service we should all use at points in our lives.

### **We need local solutions**

The impact of the virus and lockdown has been very different across industries and parts of the UK. Hotels, restaurants, entertainment, tourism, retail and transport are among the long list of sectors hit hard by lost trade. [Furloughing](#) has been much higher in the North East of England and lower in London, Scotland, and North West England. At the same time, workers in London and the South East have been more likely to have lost their jobs. These variations highlight the need for recovery strategies which take account of local needs.

In 2018, [Skills Advisory Panels](#) were set up across the UK, consisting of Local Enterprise Partnerships, chambers of commerce, employer bodies, councils and devolved governments. These should play a leading role in identifying sectors for investment and support. The [Learning and Work Institute](#) suggests job creation might be targeted at sectors hit hard by the pandemic or where growth is desirable, for example charities, local authorities, and low-carbon industries. National and local bodies need to work together to identify priority sectors for renewal and growth.

And employers are, of course, key to the success of any measure aimed at getting people back to work and into jobs where they will be productive, effective, and fulfilled. In the short-term, they can use the furlough scheme for [training and development](#). It's not enough to expect employees to go online; training needs to be structured, assessed and new skills put into practice or ready to do so once the lockdown is lifted.

### **The coronavirus crisis has put the spotlight on skills**

Technology has often been posed as the solution in economically and socially challenging times. Yet COVID-19 has highlighted the importance of skills. Over decades, policies and interventions have been half-hearted, under-funded, and ineffective. But now, with millions facing unemployment, we need to find ways of getting people back into work – into better, more fulfilling, and sustainable work. Technology must, of course, be part of recovery but it isn't the solution. It is people, their skills and abilities who will rebuild our damaged economy.

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### **About the Author**

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